

304.32-300 Conversion health insurance policy -- Rights of employee's surviving spouse.

- (1) Any private employer doing business in this state who provides for his employees on a self-insured basis, hospital or surgical benefits, other than for specific diseases or accidental injury only, shall purchase a conversion health insurance policy. Upon the termination of the employment of any employee who has been continuously employed for not less than six (6) months immediately preceding the termination, the employee shall be entitled to have issued to him by the insurer, without evidence of insurability, a health insurance policy on a form then available for conversion from the health benefit plan provided by the employer by making written application therefor, accompanied by the first quarterly, semiannual or annual premium, at the option of the employee to the employer not later than thirty-one (31) days after such termination.
- (2) The individual health insurance policy available as provided in subsection (1) shall cover the employee and his dependents for whom the employer provided health or surgical benefits on the date the employment was terminated. The effective date of any such individual policy shall be the date of the termination of the employment.
- (3) The employee shall not be entitled to be issued a converted policy upon termination of employment if he is or could be covered by Medicare (Title XVIII of the United States Social Security Act as added by the social security amendments of 1965 or as later amended or superseded). Furthermore, the employee shall not be entitled to be issued a converted policy if (a) such person is covered for similar benefits by another hospital or surgical or medical expense insurance policy or hospital or medical service subscriber contract or medical practice or other prepayment plan or by any other plan or program or (b) similar benefits are provided for, or are available to, such person pursuant to, or in accordance with the requirements of any statute, and the benefits provided or available under any of the sources referred to in (a) and (b) above for such employee, together with the converted policy, would result in over insurance according to the employer's standards relating to policies converted from the hospital or surgical benefits provided by the employer.
- (4) The surviving spouse, at the death of an employee, shall be entitled to be issued a converted policy with respect to the spouse and such children whose coverage under the employer's hospital or surgical benefits terminates by reason of the death of an employee.
- (5) If an employee or employee's spouse becomes entitled to obtain a converted policy pursuant to the foregoing provisions, and if such person has not been given written notice of the existence of the conversion privilege stated above, within thirty-one (31) days of termination of the group coverage, then in such event the person shall have an additional period within which to exercise the conversion privilege. This additional period shall expire fifteen (15) days after the person shall have been given said notice but in no event shall the additional period extend beyond sixty (60) days after the expiration of the thirty-one (31) day conversion period stated above. Written notice presented to the person or mailed by the employer to the last known address of the person or mailed by the insurer to the last known address of

the person as furnished by the employer shall constitute the giving of notice for the purpose of this paragraph. If an additional period is allowed the person for exercise of the conversion privilege as provided herein, and if written application for the converted policy, accompanied by the first quarterly or semiannual or annual premium, is made after the expiration of the thirty-one (31) day conversion period stated above, but within the additional period allowed an employee or spouse in accordance with this paragraph, the effective date of the converted policy shall be the date of termination of employment.

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